



REQUEST FOR PROPOSAL

**February 16, 2007
Salary Survey Consulting Service
RFP# CIRM 2056**

You are invited to review and respond to this Request for Proposal (RFP), entitled RFP#CIRM 2056 Salary Survey for the California Institute for Regenerative Medicine (CIRM). In submitting your proposal, you must fully comply with these instructions. Missing and/or incomplete information may cause your response to be disqualified from further consideration. The RFP seeks qualified consulting firms to submit proposals to conduct a comprehensive salary survey of 23 distinct positions described in Section A, 2,

In the opinion of the California Institute for Regenerative Medicine, this RFP is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, the contact person for this RFP is:

Alexandra Campe Degg
Contract Manager
(415) 396-9133

All submittals must be received on or before 5 PM Pacific Time, March 9, 2007. Return four identical copies (One original signed and three identical copies) to:

California Institute for Regenerative Medicine
210 King Street
San Francisco, CA 94107
Attn: Lorraine Hoffman
(415) 396-9107

**Faxed submittals will not be accepted
Late submittals will not be accepted**

Please note that no *verbal* information given will be binding upon the State unless such information is issued in writing as an official addendum.

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A. Purpose and Description of Services

1. Introduction

The California Institute for Regenerative Medicine (CIRM) was established for the purpose of making grants and loans to California's universities and other advanced medical research facilities throughout the state for stem cell research, for research facilities, and for other vital research opportunities to realize therapies, protocols, and/or medical procedures that will result in, as speedily as possible, the cure for, and/or substantial mitigation of, major diseases, injuries, and orphan diseases. Priority will be given to stem cell research that has the greatest potential for therapies and cures, specifically focused on pluripotent stem cell and progenitor cell research among other vital research opportunities that cannot, or are unlikely to, receive timely or sufficient federal funding. Funding for the grants and loans and for the operational costs necessary to accomplish this purpose will come from the issuance by the State Treasurer of \$3 billion in general obligation bonds. The grant and loan funding decisions will be made by the Independent Citizens' Oversight Committee (ICOC), a twenty-nine member body charged with governing the CIRM. The ICOC is authorized under Proposition 71 of 2004 to commit an average of \$295 million per year in grants and loans over a 10-year period. In addition, the ICOC is authorized to accept real and personal property donations to fund operations and grant programs. Also, the ICOC is authorized to accept general fund loans to finance start up activities for CIRM or to provide bridge financing until the bonds are sold. Finally, the State Treasurer may issue Bond Anticipation Notes (BANS) as bridge financing.

The CIRM is requesting a proposal from salary survey consulting firms and seeks to contract with a qualified salary survey consulting firm experienced in the conduct of comprehensive salary surveys with higher education and scientific research institutions.

The firm that is selected must be technically and professionally capable of providing the services in all subject areas described in Section A, Item 2, Scope of Services and meet the Minimum Qualifications for Proposers in Section B. The firm must be free from actual conflicts of interest not only at the time of selection, but also throughout the term of the contract.

The CIRM expects that the winning firm will be able to start as soon as possible immediately after the execution of the contract. The CIRM anticipates entering into a three month contract with a possible extension for salary survey consulting services and a 30-day cancellation clause by either party.

2. Scope of Services

The salary survey consulting firm will be expected to provide the CIRM with salary survey services as described herein:

a) Firm's Experience and Staff

1. Detailed information regarding the salary survey firm, including prior relevant experience with salary surveys for higher education and scientific research institutions.

- i. Qualifications and Experience of Firm - Discuss the overall experience of your firm that demonstrates your ability to successfully complete the Scope of Services.
- ii. Qualification of Staff/Resumes - Identify the staff that will be providing the services required by the proposal, including years and type of experience for each person. Experience should include number of years at current firm as well as all prior service. Experience in salary survey services should be detailed. The party in charge of the CIRM account must have at least five years prior experience of conducting salary surveys for higher education and scientific research institutions.
- iii. The firm should insure that the quality and availability of its staff assigned to this agreement will be maintained over the term of the agreement. Any changes in assigned staff are at the discretion of the firm, provided that any replacements have substantially the same as or better qualifications and experience than the original personnel.

b) Budget and Timeline

1. An all inclusive competitive cost proposal include all administrative expenses and travel on a not to exceed basis.
2. A detailed timeline for the successful completion of the salary survey. The term of the contract is expected to be for 10 weeks with a possible extension based on mutual agreement between the CIRM and the winning firm.

c) Scope of Work

1. Examine job descriptions of the 23 designated positions requested and provide compensation data and analysis to achieve organizational goals.
2. Perform a market salary survey of similar California based positions at the State of California, University of California, other California private and public universities, and California nonprofit research institutions to determine reasonably competitive salary ranges for the 23 designated positions and ensure appropriate consideration and documentation to meet Proposition 71 requirements on setting compensation for staff.
3. Develop a methodology for normalizing firm size and regional pricing differences. Use methodology for determining final comparable data.
4. Recommend, if warranted, any changes to the present salary levels listed at http://www.cirm.ca.gov/jobs/pdf/Salary_Structure.pdf
5. Treat all information in a confidential manner.

d) Report and Presentation

1. The successful consultant will be required to meet with the CIRM Senior Staff at the initiation of the study and to make presentations to the Chief Finance & Administrative Officer and Chief Human Resources Officer throughout the contract, as needed and at the conclusion of the contract. CIRM further expects ongoing and open communications with the consultant over the course of the contract.
2. A comprehensive report that documents methodology used and market salary survey data collected that addresses all criteria noted in Scope of Services.

B) Minimum Qualifications for Proposer(s)

The CIRM expects to have a close working relationship with its salary survey consulting firm as evidenced by the nature of the tasks listed above, and requires the demonstration of a high degree of experience, training and proficiency in the conduct of the various functions performed. The salary survey consulting firm should have extensive background in salary surveys with higher education and scientific research institutions. In addition, the CIRM expects that its salary survey consulting firm will comply with current industry standards and will maintain appropriate expertise at the firm's own expense. Proposer must have, at minimum, the following qualifications and experience:

1. Firm must be a professional consulting firm with a specialization in salary surveys.
2. Firm must have conducted, within the last 5 years, at least three salary surveys of higher education and scientific research institutions.
3. Firm must have sufficient staff to provide salary consulting services to the CIRM to meet the deadlines outlined in Section A, Item 2, Scope of Services.

4. Independent Consultant Insurance Requirements

a. General Liability

i. Comprehensive or Commercial Form (minimum limits)

- | | |
|--|----------------|
| 1. Each Occurrence | \$1,000,000.00 |
| 2. Products/Completed Operations Aggregate | \$1,000,000.00 |
| 3. Personal and Advertising Injury | \$1,000,000.00 |
| 4. General Aggregate* | \$1,000,000.00 |

*Not applicable to comprehensive form.

If the above insurance is written on a claims-made form, it shall continue for three years following termination of the agreement. The insurance shall provide for a retroactive date of placement prior to or coinciding with the effective date of the agreement.

- b. Business Automobile Liability (minimum limits): For owned, scheduled, non-owned, or hired automobiles with a combined single limit of not less than \$1,000,000 per occurrence.

- c. Workers' Compensation: as required under California State Law.
- d. Professional Liability Insurance (minimum limits):
 - i. Each Occurrence \$1,000,000
 - ii. Project Aggregate \$2,000,000
- e. Other insurance in amounts which from time to time may reasonably be required by the mutual consent of the CIRM and the Independent Consultant against other insurable hazards relating to performance.

C) Proposal Requirements and Information

1) Key Action Dates

It is recognized that time is of the essence. All Proposers are hereby advised of the following schedule and will be expected to adhere to the required dates and times:

<u>Date</u>	<u>Action</u>
February 16, 2007	RFP available to prospective firms
March 9, 2007	Final Date for Proposal Submission. Proposals must be received at the CIRM at 210 King Street San Francisco, CA by 5:00 P.M.
March 19, 2007	Proposed Award Date (Note: The actual award date may be earlier.)

2) References

- a) References-Submit a list of at least three references (clients) to which you have provided similar salary survey consulting services within the past five years and contact numbers for each. See Attachment 1.

3) Submission of Proposal

- a) Proposals should provide straightforward and concise descriptions of the Proposer's ability to satisfy the requirements of this RFP. The proposal must be complete and accurate. Omissions, inaccuracies or misstatements will be sufficient cause for rejection of a proposal.
- b) The proposal package should be prepared in the least expensive method.
- c) All proposals must be submitted to the California Institute for Regenerative Medicine by the dates and times shown in Section C, Proposal Requirements and Information, Item 1) Key Action Dates.
- d) One (1) original plus three (3) copies of the proposal must be submitted.

- e) The original proposal must be marked "ORIGINAL COPY". All documents contained in the original proposal package must have original signatures and must be signed by a person who is authorized to bind the proposing firm. All additional proposal sets may contain photocopies of the original package.
- f) The proposal envelope(s) should be addressed as follows and must be plainly marked with the RFP number and title:

Lorraine Hoffman
Chief Finance & Administrative Officer
California Institute for Regenerative Medicine
210 King Street
Subject: Request for Proposal Salary Survey Consulting Services
RFP# CIRM 2056

If the proposal is made under a fictitious name or business title, the actual legal name of the proposer must be provided.

- g) All proposals shall include the documents identified in Section D, Required Attachments. Proposals not including the proper "required attachments" shall be deemed non-responsive. A non-responsive proposal is one that does not meet the basic proposal requirements.
- h) Mail or deliver proposals to the address as stated in f above.
- i) Proposals must be submitted for the performance of all the services described herein. Any deviation from the work specifications will not be considered and will cause a proposal to be rejected.
- j) A proposal may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. CIRM may reject any or all proposals and may waive any immaterial deviation in a proposal. CIRM's waiver of immaterial deviation shall in no way modify the RFP document or excuse the proposer from full compliance with all requirements if awarded the agreement.
- k) Costs incurred for developing proposals and in anticipation of award of the agreement are entirely the responsibility of the proposer and shall not be charged to the CIRM.
- l) An individual who is authorized to bind the proposing firm contractually shall sign the Attachment 2, Payee Data Form. The signature must indicate the title or position that the individual holds in the firm. An unsigned proposal may be rejected.
- m) A Proposer may modify a proposal after its submission by withdrawing its original proposal and resubmitting a new proposal prior to the proposal submission deadline as set forth in Section C, Proposal Requirements and Information, Item 1) Key Action Dates. Proposal modifications offered in any other manner, oral or written, will not be considered.

- n) A Proposer may withdraw its proposal by submitting a written withdrawal request to CIRM, signed by the Proposer or an authorized agent, addressed in accordance with f above. A Proposer may thereafter submit a new proposal prior to the proposal submission deadline. Proposals may not be withdrawn without cause subsequent to proposal submission deadline.
- o) The awarding agency may modify the RFP prior to the date fixed for submission of proposals by the issuance of an addendum to all parties who received a proposal package.
- p) The awarding agency reserves the right to reject all proposals. The agency is not required to award an agreement.
- q) Before submitting a response to this solicitation, Proposers should review, correct all errors and confirm compliance with the RFP requirements.
- r) Where applicable, Proposer should carefully examine work sites and specifications. No additions or increases to the agreement amount will be made due to a lack of careful examination of work sites and specifications, if applicable.
- s) More than one proposal from an individual, firm, partnership, corporation or association under the same or different names, will not be considered.
- t) CIRM does not accept alternate contract language from a prospective Consultant. A proposal with such language will be considered a counter proposal and will be rejected.
- u) No oral understanding or agreement shall be binding on either party.

4) Evaluation Process

- a) At the time of proposal opening, each proposal will be checked for the presence or absence of required information in conformance with the submission requirements of this RFP.
- b) Proposals that contain false or misleading statements, or which provide references that do not support an attribute or condition claimed by the proposer, may be rejected.
- c) Award, if made, will be to the highest scoring responsible proposal. If a tie occurs the most competitive cost proposal will be the determining factor.
- d) Proposal Evaluation

The CIRM desires a salary survey consulting firm that demonstrates a high degree of experience, training and proficiency in the conduct of the various functions performed. The salary survey consulting firm should have extensive experience in the conduct of comprehensive salary surveys with higher education and scientific research institutions.

The proposals that meet the Minimum Qualifications in Section B and the Proposal Requirements and Information in Section C will be evaluated and scored according to the criteria indicated below. The selection will be made by an evaluation committee of the CIRM on the basis of the following weighted factors (Maximum Points available for each criterion is noted.)

(1) Qualification of Personnel (25 points)

The CIRM will evaluate the individuals to be assigned to the contract on the basis of background and experience in related work.

(2) Experience as a Firm (25 points)

The CIRM will evaluate the firm on the basis of the firm's overall experience demonstrating its ability to successfully complete the requirements identified in 1) Introduction and 2) Scope of Services, Section A.

(3) Responsiveness to the Scope of Work (25 points)

The CIRM will evaluate the firm on the basis of the firm's overall understanding and description of the Scope of Work.

(4) Cost (25 points)

The CIRM will score the cost upon the competitive cost proposal, Scope of Services, Section A, Item 2.

Maximum Total Possible Points

100 points

The firm receiving the highest score based on the factors listed above will be awarded the contract. If there is a tie the most competitive cost bid will be the tiebreaker.

5) Disposition of Proposals

- a) Upon proposal opening, all documents submitted in response to this RFP will become the property of the CIRM, and will be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.) and subject to review by the public.
- b) Proposal packages may be returned only at the Proposer's expense, unless such expense is waived by the CIRM.

6) Agreement Execution and Performance

- a) Service shall start on the express date set by the CIRM and the Consultant, after all approvals have been obtained and the agreement is fully executed. Should the Consultant fail to commence work at the agreed upon time, the CIRM, upon five (5) days written notice to the Consultant, reserves the right to terminate the agreement. In addition, the Consultant shall be liable to CIRM for the difference between Consultant's Proposal price and the actual cost of performing work by another Consultant.
- b) All performance under the agreement shall be completed on or before the termination date of the agreement.

D) Required Attachments

For your proposal to be considered responsive, all required attachments must be included with the RFP by the dates and times shown in Section C, Proposal Requirements and Information, Item 1, Key Action Dates.

Attachment 1 – Proposer References

Attachment 2 – Payee Data Record (STD 204)

F) Exhibits

1. Sample Independent Consultant Agreement

ATTACHMENT 1

PROPOSER REFERENCES

Submission of this attachment is mandatory. Failure to complete and return this attachment with your bid may cause your bid to be rejected and deemed non-responsive.

List below three references for services performed within the last five years, which are similar to the scope of work to be performed in this contract.

REFERENCE 1			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

REFERENCE 2			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

REFERENCE 3			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

Payee Data Record (STD 204)

(Required when receiving payment from the State of California in lieu of IRS W-9)
STD. 204 (Rev. 6-2003)

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EXHIBIT 1

Agreement No. CIRM ____

CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE INDEPENDENT CONSULTANT AGREEMENT

THIS AGREEMENT to furnish certain consultant services is made by and between the California Institute for Regenerative Medicine hereinafter called (the CIRM), and _____[Name] hereinafter called (the Consultant).

I. NATURE AND PLACE(S) OF SERVICE

- A. The Consultant shall furnish to the CIRM the following described services including a time schedule by which the Consultant is to produce or provide specified materials or perform certain consulting services as well as reports on the progress of the services:
- B. In addition to the services described in subparagraph A. above, the Consultant's proposal to the CIRM shall be incorporated herein by reference and made part of this Agreement.
- C. If the Consultant is an entity other than an individual, the CIRM requires that _____ be assigned to perform the work set forth herein. No reassignment of work to any other individual(s) other than those described in Attachment A shall be made without the written approval of the CIRM.
- D. Place(s) of performance of such services shall be:

Consultant's location:

CIRM's location:

210 King Street
San Francisco, CA 94107

- E. The CIRM will provide working space, equipment, furniture, utilities, and services, as follows:

II. TERM OF AGREEMENT

- A. The term of this Agreement shall be from _____ through _____.
- B. CIRM reserves the right to terminate this agreement subject to 30 days written notice to the consultant. Consultant may submit a written notice to terminate this agreement only if the CIRM should substantially fail to perform its responsibilities as provided herein. In addition, this agreement may be terminated immediately for cause. The term "for cause" shall mean that the Consultant fails to meet the terms, conditions, and/or responsibilities of this agreement. In this instance, the termination shall be effective as of the date indicated on CIRM's notification to the Consultant

- C. The term of this agreement may be extended by the mutual, written consent of both parties.

III. COMPENSATION AND REIMBURSEMENT FOR EXPENSES

- A. The CIRM shall pay the Consultant for services performed on the following basis:

1. Professional Fees::
2. Other Expenses

MAXIMUM TO BE PAID UNDER THIS AGREEMENT

\$ _____

* Reimbursement for travel and per diem shall be in accordance with established CIRM rates and policies.

- B. Payments shall be made upon the Consultant's submission of invoices indicating the Agreement Number and setting forth charges in accordance with rates detailed in Article III-A. Each invoice shall include the Consultant's taxpayer identification number (Social Security or employer identification number). Invoices shall be submitted in triplicate not more frequently than monthly in arrears to:

California Institute for Regenerative Medicine
Chief Finance & Administrative Officer
210 King Street
San Francisco, CA 94107

IV. REPORTING

In performing consulting services under this Agreement, the Consultant shall be accountable to the CIRM and shall provide progress reports to CIRM upon CIRM's request.

V. NOTIFICATION

Notices concerning this Agreement shall be addressed as follows:

CIRM:

CONSULTANT:

[Insert name and address]

VI. TAXES

The compensation stated in Article III includes all applicable taxes and will not be changed hereafter as the result of Consultant's failure to include any applicable tax or as the result of any change in the Consultant's tax liabilities. The Consultant acknowledges that compensation payable hereunder may be subject to withholding of state and federal income tax, including state income tax subject to withholding pursuant to California Revenue and Taxation Code Sections 18661-18677.

VII. INDEPENDENT CONSULTANT STATUS

- A. Both parties agree that in the performance of this Agreement the Independent Consultant shall not be an agent or employee of the CIRM, shall not be covered by the State of

California Worker's Compensation Insurance or Unemployment Insurance, shall not be eligible to participate in the CIRM's retirement programs, and shall not be entitled to any other CIRM employee benefits.

- B. The Consultant shall be solely responsible for the conduct and control of the work to be performed by the Consultant under this Agreement, except that the Consultant is accountable to the CIRM for the results of such work. The Consultant's services for the CIRM shall be performed in accordance with currently approved methods and ethical standards applicable to the Consultant's professional capacity.

California State Contract Code 10515 (a) states: No person, firm, or subsidiary thereof who has been awarded a consulting services contract may submit a bid for, nor be awarded a contract on or after July 1, 2003, for the provision of services, procurement of goods or supplies, or any other related action that is required, suggested, or otherwise deemed appropriate in the end product of the consulting services contract.

VIII. ASSIGNMENT OR SUBCONTRACTING

The Consultant may not assign or transfer this Agreement, or any interest or claim, or subcontract any portion of the work, without the prior written approval of the CIRM. The withholding or granting of such approval is totally discretionary with the CIRM. If the CIRM consents to such assignment or transfer, the terms and conditions of this Agreement shall be binding upon any assignee or transferee.

IX. PROPERTY RIGHTS, INCLUDING PATENTS AND COPYRIGHTS

All written and other tangible material ("Material") produced pursuant to this Agreement by the Consultant shall be considered a work-made-for-hire under the Copyright Act. To the extent said Material does not qualify as a work-made-for-hire, Consultant hereby assigns all right, title, and interest, including, but not limited to, copyright and all copyright rights in the Material to the CIRM and shall execute any and all documents necessary to effectuate such assignment. In the event Consultant uses any individual who is not a full-time employee of Consultant or uses any other entity to perform any of the work required by Consultant hereunder, Consultant shall require said individual or entity to sign an agreement before commencing work for consultant to sign an agreement that contains identical wording to the foregoing two sentences except that the word "Consultant" shall be replaced with the individual's or entity's name.

X. CONSULTANT'S LIABILITY AND INSURANCE REQUIREMENTS

- A. The Consultant agrees to defend, at the CIRM's election, indemnify, and hold harmless the CIRM, its officers, agents, and employees from and against any and all claims, losses, expenses (including costs and reasonable attorney's fees), claims for injury, or damages that are caused by or result from the negligent or intentional acts or omissions of the Consultant, its officers, employees, or agents or Consultant's breach of this Agreement. In addition, Consultant agrees to defend, at the CIRM's election, indemnify, and hold harmless the CIRM, its officers, agents, and employees from and against any and all claims, losses, expenses (including costs and reasonable attorney's fees), claims for injury, or damages accruing or resulting to any and all contractors, subcontractors, suppliers, or any other person, firm or corporation furnishing services or supplying goods in connection with Consultant's performance of this Agreement
- B. The Consultant shall furnish a Certificate of Insurance or statement of self-insurance (contractual liability included) showing minimum coverage as follows:
 - 1. General Liability: Comprehensive or Commercial Form (Minimum Limits)

(i)	General Aggregate (BI, PD)*	\$1,000,000
(ii)	Products, Completed Operations Aggregate	\$1,000,000
(iii)	Personal and Advertising Injury	\$1,000,000
(iv)	Each Occurrence	\$300,000

* (not applicable to comprehensive form)

However, if such insurance is written on a claims-made form following termination of this Agreement, coverage shall survive for a period no less than three years. Coverage shall also provide for a retroactive date of placement coinciding with the effective date of this Agreement.

2. Business Auto Liability: (Minimum Limits) for Owned, Scheduled, Non-Owned, or Hired Automobiles with a combined single limit of no less than \$1,000,000 per occurrence.
3. Workers' Compensation: as required under California State Law.
4. Professional Liability Insurance: (Minimum Limits)

(1) Each occurrence	\$1,000,000
(2) Project Aggregate	\$2,000,000

If this insurance is written on a claims-made form, it shall continue for three years following termination of this Agreement. The insurance shall have a retroactive date of placement prior to or coinciding with the effective date of this Agreement.

5. Other insurance in amounts as from time to time may reasonably be required by the mutual consent of the CIRM and the Consultant against such other insurable hazards relating to performance.

Certificate(s) shall name the CIRM as an additional insured under 1, 2 and 4 above, obligate the insurer to notify the CIRM at least thirty (30) days prior to cancellation of or changes in any of the required insurance and include a provision that the coverage will be primary and will not participate with nor be excess to any valid and collectible insurance program of self-insurance carried or maintained by the CIRM. Premiums on all insurance policies shall be paid directly by the Consultant.

XI. RECORDS ABOUT INDIVIDUALS

- A. The Consultant acknowledges that the creation and maintenance of records pertaining to individuals is subject to certain requirements set forth by the California Information Practices Act (Civil Code 1798, et seq.) and by the CIRM policy. Such requirements include provisions governing the collection, maintenance, accuracy, dissemination, and disclosure of information about individuals, including the right of access by the subject individuals.
- B. If the Consultant creates confidential or personal records about an individual, as defined by the Information Practices Act, including notes or tape recordings, the information shall be collected to the greatest extent practicable directly from the individual who is the subject of the information. When collecting the information, the Consultant shall inform the individual that the record is being made and of the purpose of the record.

- C. Records containing confidential or personal information about individuals are the property of the CIRM and subject to the CIRM's policies and applicable federal and state laws. The Consultant agrees to deliver all such records, including originals and all copies and summaries, to the CIRM upon termination of this Agreement.
- D. The Consultant shall not use recording devices in discussions with the CIRM's employees without notifying all parties to the discussion that the discussion is being recorded.

XII. EXAMINATION OF RECORDS

The Consultant agrees that the CIRM and its authorized agents shall have the right to review and copy any records and supporting documentation pertaining to the performance of this Agreement including, but not limited to, all documents, records and work papers whether obtained or copied from the CIRM or developed by the Consultant. Consultant agrees to maintain such records for a minimum of five (5) years after final payment, unless a longer period of records retention is stipulated. Consultant agrees to allow the CIRM and its authorized agent's access to such records during normal business hours. Further, Consultant agrees to include a similar right of access in any subcontract related to the performance of this Agreement.

In accordance with state law, the Consultant agrees that the CIRM, its authorized agents, the State Controller's Office, and the Bureau of State Audits (collectively, the "Auditors") shall have the right, in connection with an audit, to review and copy any records and supporting documentation pertaining to the performance of this Agreement including, but not limited to, all documents, records and work papers whether obtained or copied from the CIRM or developed by the Consultant. Consultant agrees to maintain such records for possible audit for a minimum of five (5) years after final payment, unless a longer period of records retention is stipulated. Consultant agrees to allow the Auditors access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Consultant agrees to include a similar right of the Auditors to audit records and interview staff in any subcontract related to the performance of this Agreement.

XIII. CONFLICT OF INTEREST

- A. The Consultant will not hire any officer or employee of the CIRM to perform any service covered by this Agreement. If the work is to be performed in connection with a federal or state contract or grant, the Consultant will not hire any employee of the government concerned to perform any service covered by this Agreement.
- B. The Consultant affirms that to the best of his/her knowledge there exists no actual or potential conflict between the Consultant's family, business or financial interest and the services provided under this Agreement, and in the event of change in either private interests or service under this Agreement, any question regarding possible conflict of interest which may arise as a result of such change will be raised with the CIRM.
- C. The Consultant shall not be in a reporting relationship to a CIRM employee who is a near relative, nor shall the near relative be in a decision-making position with respect to the Consultant.

XIV. AFFIRMATIVE ACTION

The Consultant recognizes that as a state government contractor or subcontractor, the Consultant is obligated to comply with all state laws and regulations regarding equal opportunity and affirmative action in government contracts. When applicable, the Consultant agrees that all such laws and their

implementing regulations are incorporated herein as though set forth in full. These laws include the nondiscrimination requirements of Government Code sections 12990 and 11135, and the nondiscrimination program and clause required by Title 2, Division 4, Chapter 5 of the California Code of Regulations.

XV. CONFIDENTIALITY

The Consultant shall keep confidential any information provided by the CIRM or any information conveyed orally to the Consultant by the CIRM with oral notification of its confidentiality (the "Confidential Information"), Consultant agrees to maintain the secrecy of CIRM's Confidential Information and agrees not to use it except in performing the Services under this Agreement and not to disclose it to anyone outside CIRM or anyone within CIRM's organization who does not have a need to know it to perform under this Agreement. This non-disclosure provision shall not apply to any of the following:

1. Information which the Consultant can demonstrate by written records was known to him or her prior to the effective date of this Agreement;
2. Is currently in, or in the future enters, the public domain other than through a breach of this Agreement or through other acts or omissions of the Consultant; or
3. Is obtained lawfully from a third party.

XVI. APPLICABLE LAW

The laws of the State of California shall govern this Agreement.

XVII. TERMS TO BE EXCLUSIVE

This Agreement constitutes the entire understanding between the parties regarding the subject matter hereof and supersedes any prior understanding between the parties, oral or written, regarding the same subject matter.

XVIII. WAIVER OR MODIFICATION OF TERMS

No waiver, amendment or other modifications of the terms of this Agreement shall be binding upon either party unless expressed in writing and signed by both parties hereto.

IX. STANDARD FOR PERFORMANCE

The parties acknowledge that the CIRM, in selecting the Consultant to perform the services hereunder, is relying upon the Consultant's reputation for excellence in the performance of the services required hereunder. The Consultant shall perform the services in the manner of one who is a recognized specialist in the types of services to be performed. All deadlines set forth in the Agreement are binding and may be modified only by subsequent written agreement of the parties. The Consultant shall devote such time to performance of its, her, or his duties under this Agreement as is reasonably necessary for the satisfactory performance of such duties within the deadlines set forth herein. Nothing in the foregoing shall be construed to alter the requirement that time is of the essence in this Agreement.

- XX. EXCLUSION. Independent Consultant warrants that it is not excluded from participation in any governmental sponsored program, including, without limitation, the Medicare, Medicaid, or Champus programs (<http://exclusions.oig.hhs.gov/search.html>) and the Federal Procurement and Nonprocurement Programs (<http://epls.arnet.gov/PrivacyActProvisionsEPLS.html>). This Agreement shall be subject to immediate termination in the event that the Independent Consultant is excluded from participation in any federal healthcare or procurement program.

XXI RESOLUTION OF DISPUTES

If the Consultant disputes any action by the CIRM arising under or out of the performance of this contract, the Consultant shall notify the CIRM of the dispute in writing and request a claims decision. CIRM shall issue a decision within 30 days of the Consultant's notice. If the Consultant disagrees with the CIRM's claims decision, the Consultant shall submit a formal claim to the President of CIRM. The decision by the President of the CIRM shall be final and conclusive on the claim unless the decision is arbitrary, capricious or grossly erroneous or if any determination of fact is unsupported by substantial evidence. The decision may encompass facts, interpretation of the contract and determinations or applications of law. The decision shall be in writing following an opportunity for the Consultant to present oral or documentary evidence and arguments in support of the claim. Consultant shall continue with the responsibilities under this Agreement during any dispute.

INDEPENDENT CONSULTANT

THE CALIFORNIA INSTITUTE FOR
REGENERATIVE MEDICINE

Signature _____ Date _____
Date _____
Name _____
Title _____

Lorraine Hoffman
Chief Finance & Administrative Officer

Social Security or Employer Identification Number*

*Pursuant to Federal Privacy Act of 1974, you are hereby notified that disclosure of your Social Security number is mandatory. Disclosure of the Social Security number is required pursuant to Sections 6011 and 6051 of Subtitle F of the Internal Revenue Code and Regulation 4, Section 404.1256, Code of Federal Regulations, under Section 218, Title II of the Social Security Act, as amended. The Social Security number is to verify your identity. The principal uses of the Social Security number shall be to report payments you have received to the Federal and State governments.

Item 6445-502-6047001/H&S Code 125291.20/Statutes 2004/FY 06/07
Account/Fund to be charged